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①

Grain Harvests Down

Secret

USSR: Grain Crop Issues

Introduction

Prospects for the 1982 Soviet grain crop have worsened considerably during the past two months. Since late May a potential grain harvest of perhaps 220 million tons has deteriorated to about 165 million tons and could drop still further. This paper examines current crop prospects, Moscow's import options, and its buying strategy in dealing with the expected grain shortfall.

Soviet Grain Crop Prospects

A period of hot, dry wind (*sukhovey*) from 13 to 21 June markedly cut the potential yields of both winter and spring grains. The *sukhovey* moved east from the Volga Valley across the main spring wheat belt in the southern Urals, northern Kazakhstan, and West Siberia. A second period of abnormally hot, dry weather during the first two weeks in July accelerated the ripening process of the grain—mostly wheat and barley—and seriously damaged the plants during the critical flowering stage when grain kernels are forming. The combination of extremely low reserves of soil moisture, lack of precipitation, and desiccating winds almost assuredly resulted in stunted plants and smaller grain heads with fewer kernels.

Recent showers probably have limited the damage but came too late to permit the plants to recover.

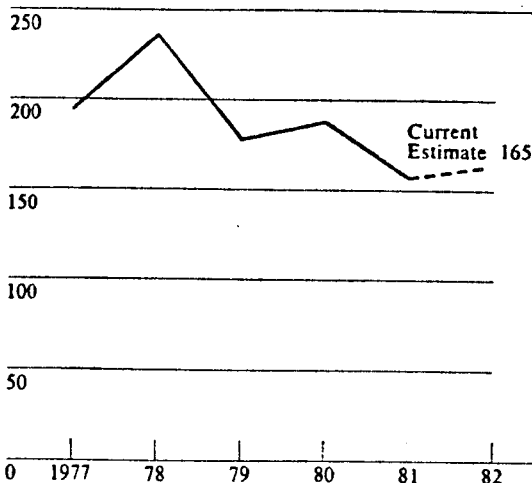
With the exception of a few areas—Belorussia, Central Asia, and the Central Black Earth Region of the Russian Republic—almost no grain region has escaped significant crop damage this year:

- **Baltics.** Regional Soviet press accounts and weather data indicate that as much as half of the grain crop in some areas was severely damaged during the winter.
- **Moldavia and the Southern Ukraine.** Low soil moisture starting last fall led to stunted and sparse winter grain development.

Figure 2

USSR: Grain Production

Million Metric Tons



• **Central and Upper Volga Regions of the Russian Republic.** A cool, wet spring that carried over into early summer ended the spring sowing campaign prematurely and generally retarded crop development. As a result the total harvested grain area will be several million hectares below normal.

• **Transcaucasus.** According to Soviet press accounts and weather data, flooding and hail caused sizable losses of winter grain and delayed corn sowing in the late spring.

Another bout of hot, dry weather in the spring grain growing areas could further erode yields. Cool, wet weather in August and September would make harvesting unusually difficult, and in some areas spring

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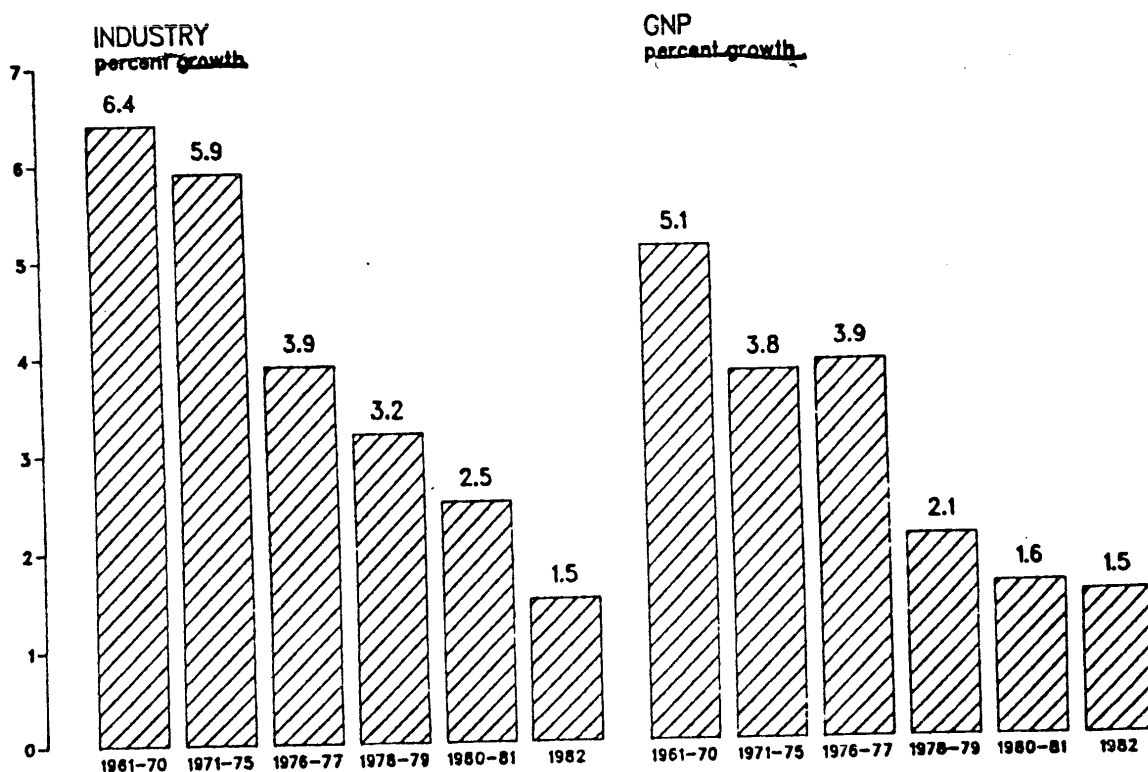
from "USSR: Grain Crop Issues" IA,
August 1982 (GI-82-10167)

3 Growth Rate Declines

Figure 1

USSR: SOVIET GNP AND INDUSTRIAL PRODUCTION
(AVERAGE ANNUAL PERCENTAGE RATES OF GROWTH)

Average Annual Growth
of Soviet Industrial Production and GNP



from JEC briefing

(3) Labor Productivity

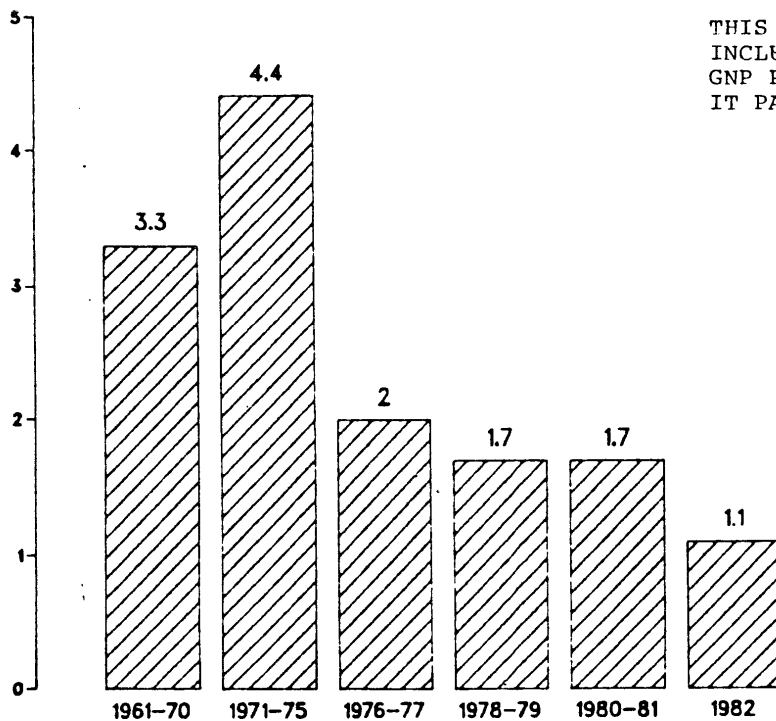
2/10/82

USSR: Productivity (avg. annual percentage growth)

GNP per Worker

USSR: Industrial Labor Productivity percent growth

Industrial Production per Worker



THIS CHART WILL ALSO INCLUDE A PANEL ON GNP PER WORKER SO THAT IT PARALLELS FIGURE 1.

from JEC briefing

Consumer Products

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(actually consumption growth rate declines)

Material Well-Being in the USSR

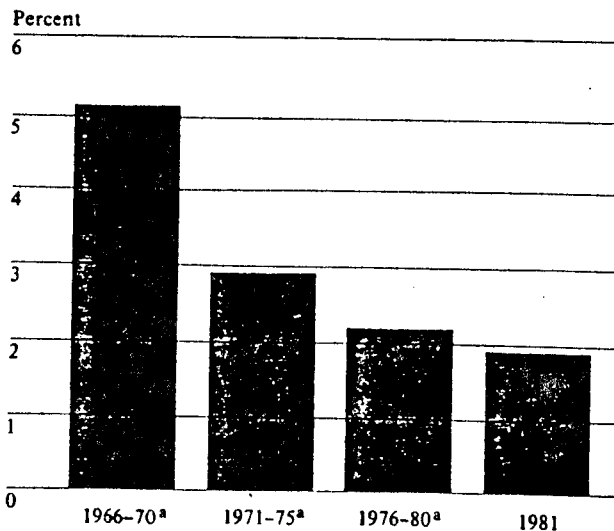
Improvement in living standards has been a major objective of the Brezhnev regime. Indeed, there have been impressive gains in the material well-being of the population—though in recent years at a reduced rate. For example, while upgrading the diet has been a centerpiece of consumer welfare policy and much progress was made in the sixties and early seventies, little improvement has occurred since the late 1970s. Even these small gains have depended on massive outlays of hard currency for foodstuffs to supplement lagging domestic output of food.

Growth in the production of soft goods and consumer durables has slowed, and the mix of goods produced has not changed fast enough to keep up with consumer demand. As with food, sharp increases in imports have been necessary to mitigate the widening gaps between supply and demand. Housing conditions—another key component of the standard of living—remain poor, with much housing still crowded and ill-equipped.

Among the numerous approaches to bettering the Soviet welfare, steady growth in personal disposable income has enjoyed something of a perverse success. The expansion of wages, together with an official policy of maintaining prices in state retail outlets, has resulted in an increasing imbalance between supply and demand. This, in turn, has led to:

- A growing overhang of purchasing power reflected in a high savings level.
- A boost in controlled prices for “luxury goods” in state retail outlets.
- Continued inflation in collective farm markets (CFMs), where prices for perishable foods respond to supply and demand.
- A rapidly rising share of scarce hard currency holdings allocated for increased imports of consumer goods.
- Increasing malaise among workers, who have more purchasing power but must wait in longer queues.

Figure 1
USSR: Growth in Per
Capita Consumption



^aAverage annual growth.

Faced with these trends, the regime is continuing its efforts to stem consumer demand by reducing disposable income growth. Growth in wages and transfer payments in the 1981-85 period is to continue the recent trend of slower annual growth and is to be the lowest since the advent of the Brezhnev regime; a renewed effort to link wage and productivity growth is planned; and selected price increases for nonfood goods are in the offing.

The Consumption Record

One of the most serious casualties of the Soviet economic slowdown has been growth in consumption (figure 1). Moreover, the leadership will experience severe difficulty this decade in meeting its often-repeated pledge to substantially improve the standard of living.

from USSR Monthly Review
June '82

Secret

Confidential

Steel Production Slump

Table 1

Million Metric Tons

Soviet, US, and Japanese Production of Crude Steel

	USSR	United States	Japan
1950	27.3	87.8	4.8
1960	65.3	90.1	22.1
1965	91.0	119.3	41.2
1970	115.9	119.3	93.3
1975	141.3	105.8	102.3
1980	147.9	101.5	111.4
1981	149.0	108.9	101.7

Source: Data for the USSR are taken from annual issues of *Narodnoye khozyaystvo SSSR*. Data for the United States and Japan are taken from various issues of the *Annual Statistical Report*, American Iron and Steel Institute. Data for 1981 are preliminary.

This table is Unclassified.

Production Peaks in Late 1970s

During 1976-80, the Soviet steel industry continued to develop, adding about 134 million tons of raw iron ore capacity, mainly in the Ukraine and Kursk; 5.6 million tons of pig iron capacity; 14.3 million tons of crude steel capacity; and 7.4 million tons of rolled steel capacity (all calculated in terms of potential annual production). Total investment in the iron and steel industry amounted to about 15 billion rubles—6 percent of total Soviet industrial investment and about 25 percent more than allocations to the steel industry during 1971-75. ☐

Despite the capacity buildup, steel production faltered during 1976-80 as all sectors of the iron and steel industry fell considerably short of the original targets for 1980 (see table 2). Production of crude steel climbed from about 141 million tons in 1975 to a peak of about 152 million tons in 1978. Following a downturn in 1979 and 1980, output registered a slight improvement last year (see table 3). In 1980 steel production fell about 17 million tons short of plan. The cumulative gain in production achieved during

Table 2

Million Metric Tons

Planned and Actual Steel Production, 1980

	Planned	Actual	Shortfall (percent)
Iron ore	275	245	11
Coking coal	205	178	13
Pig iron	122	107	12
Crude steel	160 to 170	148	10*
Rolled steel	115 to 120	103	12*
Steel pipe	19.8	18.1	9

* Shortfall calculated on the midpoint of the range for the original 1980 target.

This table is Unclassified.

1976-80—less than 7 million tons—was not substantially greater than *annual* gains posted during 1960-75. Output of rolled steel products, pig iron, coking coal, and iron ore also has stagnated or declined since 1978. ☐

There is little prospect for a near-term recovery. Indeed, performance in all sectors of the steel industry was lackluster at best in 1981. Production of crude steel rose slightly to 149 million tons, about 8 million tons below the 1981 plan.⁷ Output of rolled steel products held at 103 million tons, about the same level achieved in 1977 and 6 million tons short of the 1981 target. Production of iron ore and coking coal leveled off or declined. Output of coking coal dropped to an estimated 175 million tons, about 6 percent below the 1977 peak. Moreover, the availability of scrap metal for steelmaking stagnated during the 1976-80 period at around 75-80 million metric tons. ☐

Turnaround in Soviet Trade

The shortfalls in domestic steel production have led Soviet planners to increase markedly their imports from the West of both steel products and Western steelmaking equipment and technology. In 1970 the USSR was a net exporter of steel, but by the late

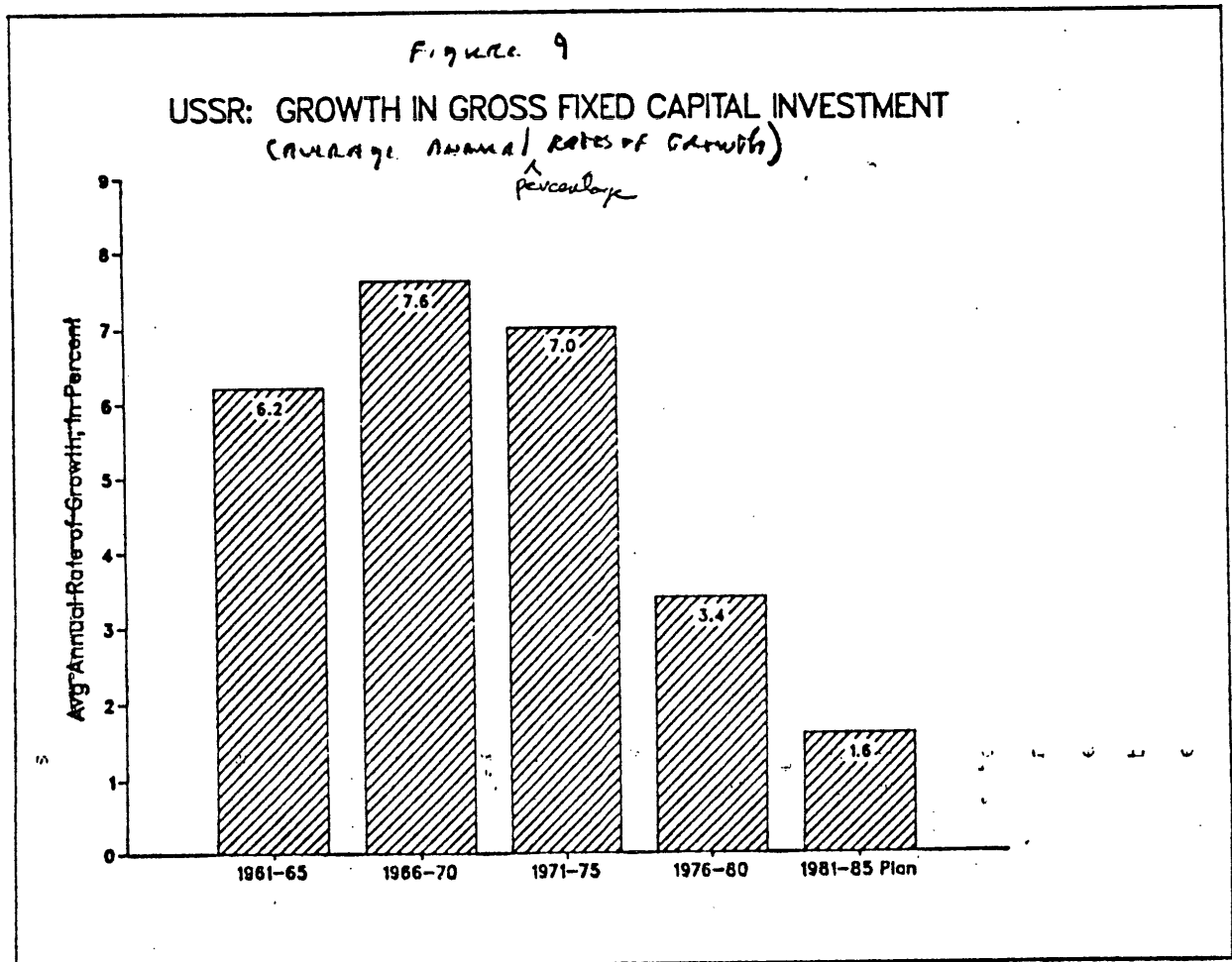
From "Sluggish Soviet Steel Industry Holds
Down Economic Growth," June 1982
(Sov 82-10089)

Confidential

(6) Fixed Capital Investment Rates

2-3a

8



from JEC

⑦ Economic Burden of Cuba (Indochina, Afghanistan)

Secret

Table 3

Million US \$

USSR: Economic and Military Assistance to Cuba

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Total	607	701	652	754	1,122	1,725	2,051	3,252	3,335	3,228
Economic aid	509	632	437	289	150	150	210	330	440	570
Trade and development	427	535	404	255	115	115	175	295	405	535
Interest charges	57	69	0	0	0	0	0	0	0	0
Other invisibles	25	28	33	34	35	35	35	35	35	35
Subsidies	56	0	150	407	901	1,357	1,772	2,638	2,667	2,425
Sugar	56	0	97	NEGL	580	977	1,428	2,435	2,287	1,035
Petroleum	0	0	0	369	290	362	328	165	365	1,390
Nickel	0	0	53	38	81	18	16	38	15	0
Military equipment deliveries	42	69	65	58	71	218	69	284	228	233

from DI Memorandum "Trends in the Costs of Soviet Aid to Communist Countries" 26 Aug 82

Table 4
USSR: Economic and Military Assistance to Indochina

Million US \$

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Total	386	637	428	789	313	352	344	449	1,644	1,106
Economic aid ^a	196	157	218	271	229	305	291	335	572	417
Trade surplus ^b	131	87	143	196	154	225	196	225	457	297
Economic grants ^c	50	50	50	50	50	50	50	50	50	50
Technical services ^d	15	20	25	25	25	30	45	60	65	70
Military equipment deliveries	190	480	210	518	84	47	53	114	1,072	689
Vietnam	190	480	210	120	73	32	12	91	1,058	606
Laos and Kampuchea	0	0	0	398	11	15	41	23	14	83

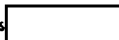
^a Including economic aid to Vietnam only. No trade subsidies have been calculated.

^b From the Soviet foreign trade handbook; used as a rough estimate of economic aid, excluding grants and services.

^c Based on proportion of grants in reported commitments.

^d Minimum estimated value of Soviet technicians in Vietnam and training of Vietnamese in the USSR.

This table is



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Table 5

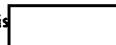
Million US \$

USSR: Economic and Military Aid to Afghanistan

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Total	27	29	72	77	40	73	140	179	288	166
Economic aid	12	9	-3	2	5	28	50	94	93	146
Trade surplus *	12	9	-3	2	5	28	50	94	68	-9
Economic grants	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	25	155
Military aid	15	20	75	75	35	45	90	85	195	20

* From the Soviet foreign trade handbook—used as a rough estimate of economic aid, excluding grants and services.

This table is



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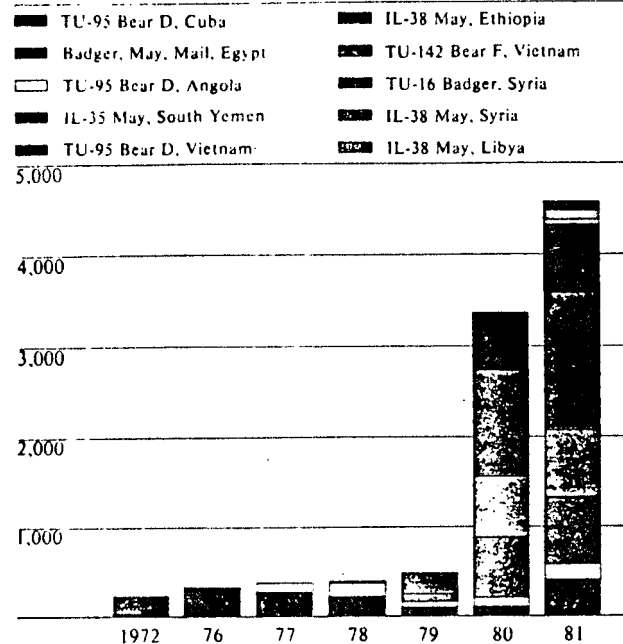
- Approved For Release 2000/05/24 : CIA-RDP83M00914R0021000700050
- Hanoi was made to accept the withdrawal of US ground forces from South Vietnam.
 - Although the Soviets contributed to India's victory over Pakistan in 1971, they watched quietly when the US and Israel strongly backed King Hussein during Jordan's conflict with the PLO and Syria in 1970. ☐

Thereafter, however, and through the remainder of the 1970s, the Soviet Union notably improved its position and influence in the Third World. Whereas the general global perception in the two previous decades usually was of trends encumbered by enough conflicting developments and complications to make interested observers cautious in their conclusions about the real extent of Moscow's gains and losses, most analysts currently believe Moscow has appreciably improved its position in the Third World, both in absolute terms and especially in its competition with the US. The major events leading to this conclusion include:

- North Vietnam's 1975 defeat of South Vietnam, acquisition of control over Laos, and 1978 intervention in Kampuchea.

Overseas Deployment of Soviet Naval Aviation, 1972, 1976-81

Days out of area



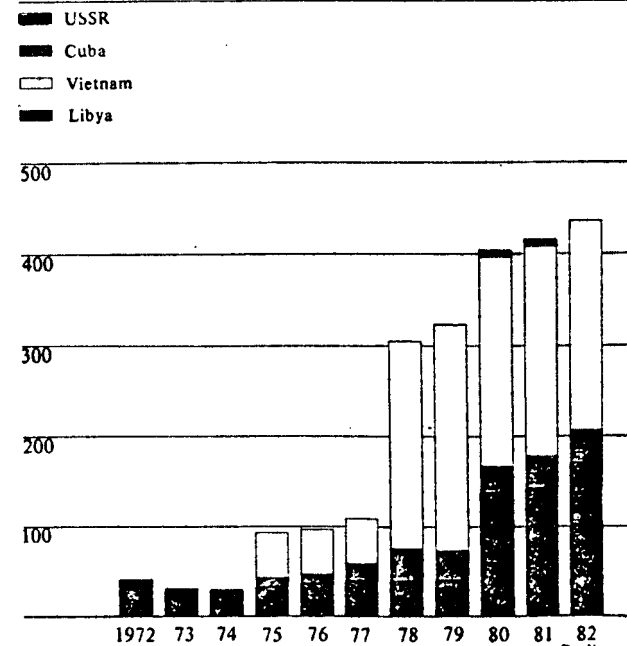
Secret

Secret

- MPLA's 1975-76 victory in the Angolan civil war, following the intervention of Soviet-armed Cuban troops transported by Cuban and Soviet aircraft.
- Ethiopia's 1977-78 Soviet-Generalled drubbing of Somalia in the Ogaden War, following the intervention of Cuban troops supported by a massive Soviet military airlift. 25X1
- The 1978 Soviet-supported Communist coup in Afghanistan, acquisition of considerable Soviet influence in Kabul, and the 1979 Soviet invasion.
- The Shah's ouster in Iran, the new clerical regime's vituperative hatred of the United States, and seizure of the American Embassy and ensuing hostage crisis.
- China's relative restraint and early withdrawal during the 1979 Sino-Vietnamese War.
- The Cuban-supported Sandinista's ouster of President Somoza from Nicaragua in 1979 and developing insurgencies in El Salvador and Guatemala.
- Moscow's signature on 12 friendship treaties between 1971 and 1981 (two of which were later abrogated). ☐ 25X1

USSR and Allies: Combat Forces* Out of Country, 1972-82

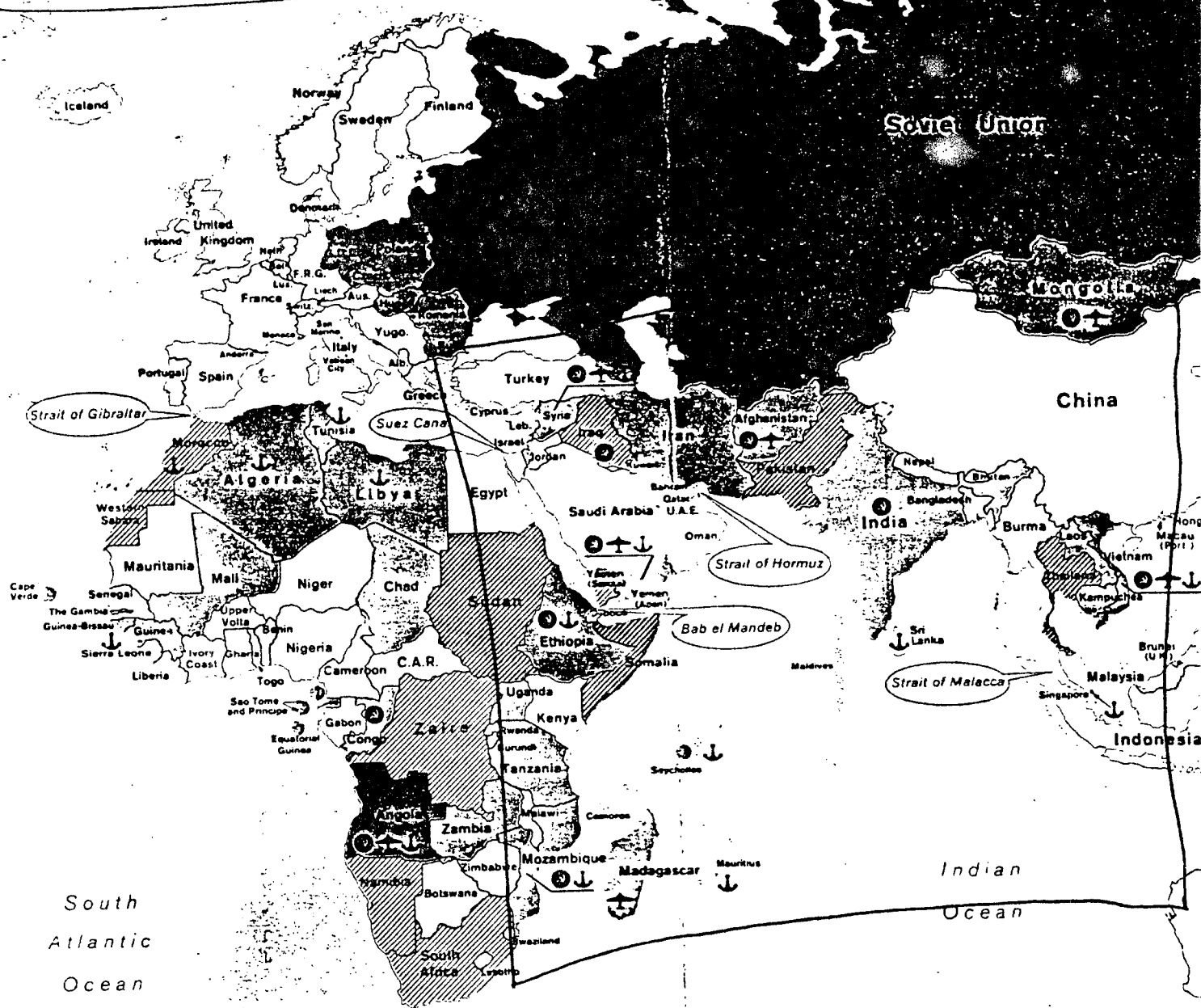
Thousand troops



*Includes Soviet forces in Mongolia, which in 1981 totaled 56,000; excludes several hundred North Korean combat personnel; excludes Soviet forces in Eastern Europe.

25X1

1) Expansion of Soviet Naval and Air Presence in Indian Ocean & SE Asia



- Soviet Union, other Warsaw Pact, Cuban, Vietnamese, or North Korean combat unit present in division-size or larger.
- Soviet Union, other Warsaw Pact, Cuba, Vietnam, or North Korea dominant supplier of military equipment.
- Militarily threatened from bordering country in which Soviet Union, other Warsaw Pact, Cuban, Vietnamese, or North Korean division-size or larger military unit present.
- Other nations militarily threatened by Soviet ally
- Internal or exiled insurgent group receiving direct or indirect materiel support from Soviet Union, other Warsaw Pact, Cuba, Vietnam, North Korea, or Libya.
- Treaty of Friendship and Cooperation or Defense Treaty with Soviet Union.
- Soviet military transport aircraft based in country
- Soviet Navy usage of facilities, airfield, communications station, or port of call.
- Critical choke point.

Republic of Germany
Islamic Republic of Iran

from "Soviet Presence in the Third World" Oct '82 (GT-82-10228) follow

East Asia and South Asia

Terrorism
Group

Target

Insurgencies
Group

Target

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Selected New and Modernized Soviet
Strategic Offensive Systems in
Development and Test

ICBMs, MR IRBMs

10 systems

SLBMs

4 systems

Aerodynamic Systems

4 LRCMs

1 Bomber

SS-NX-21 (SLCM)
Artist Conception of Mode of Operation

· TYPHOON SSBN Photo

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This map illustrates the strategic missile capabilities of the United States and the Soviet Union in the Western Hemisphere. Concentric circles represent the ranges of various missile systems, centered on their respective bases. The United States' ranges are shown as solid lines, while the Soviet Union's ranges are indicated by dashed lines. Key locations marked include major U.S. cities, Canadian cities, and various nations in Central and South America. A legend in the bottom left corner defines symbols for ICBM complexes, submarine bases, and B-52 bomber bases. A scale bar and a 'Secret' stamp are also present.

Legend:

- ↓ ICBM complex
- Submarine base
- ⬆ B-52 bomber base

Secret

Scale: 0 to 100 Kilometers

Map Labels:

- United States:** Los Angeles*, Denver*, Chicago*, New York*, Washington*, Atlanta*, Miami*, Havana*, Cuba, The Bahamas, Belize, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Colombia.
- Canada:** (Labeled across the top)
- Mexico:** (Labeled in the bottom left)
- Other:** Greenland, Denmark (in the top right corner).

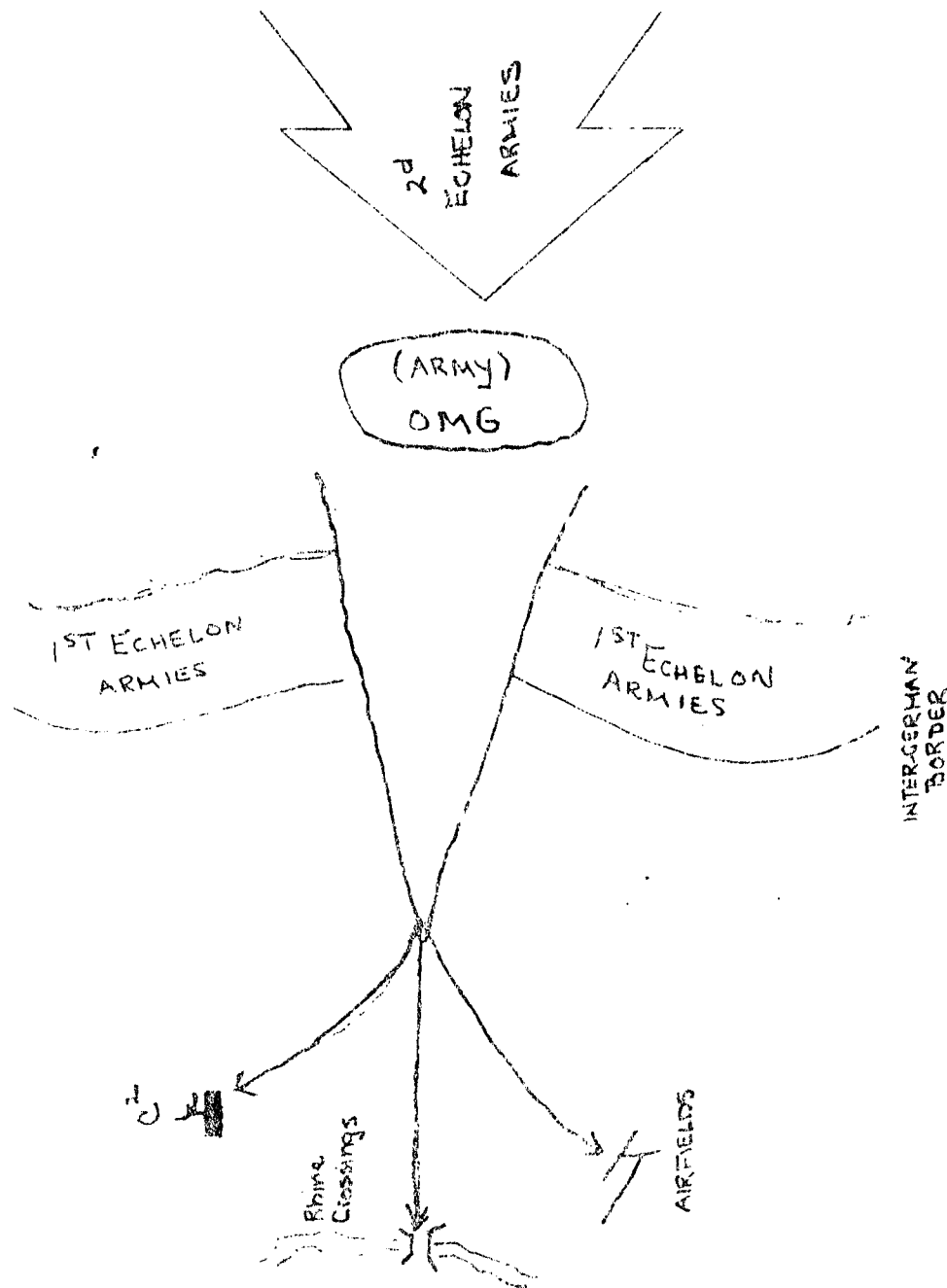
Missile Ranges:

- SS-20 (IRBM):** 4,500 km (dashed line)
- TU-22M Backfire (Bomber):** 3,980 km (dashed line)
- SS-N-6 (SLBM):** 2,700 km (dashed line)
- SS-NX-21 and GLCM (Cruise missiles):** 1,800 km (dashed line)
- SU-24 (Fighter):** 1,000 km (solid line)
- SS-12/22 (SPBM):** 925 km (solid line)
- MIG-23 (Fighter):** 600 km (solid line)
- SS-X-3 (SPBM):** 400 km (solid line)

Note: The range of the TU 95 Bear is sufficient to cover all U.S. targets (8,300 km).

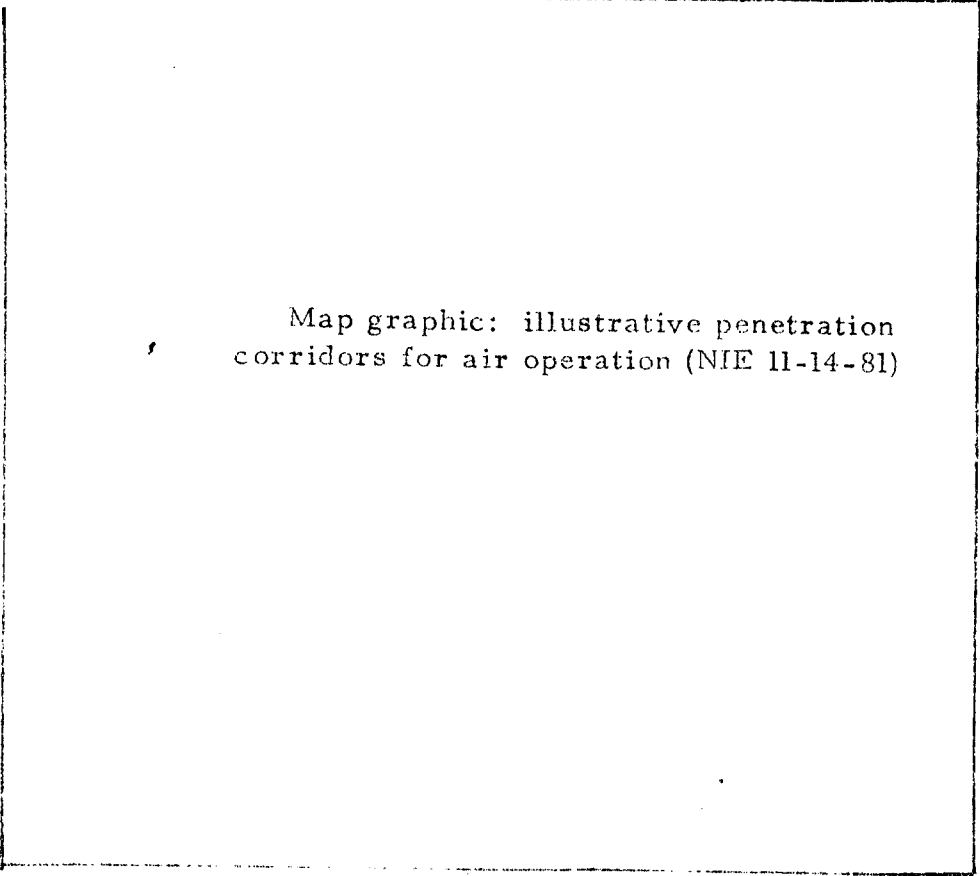
Graphic No. 1

Soviet Concept for the Operational Maneuver Group



Graphic No. 2

The Air Operation



Map graphic: illustrative penetration
corridors for air operation (NIE 11-14-81)

Soviet Assets Available for the Air Operation
(table)

Graphic No. 3

Enhanced Soviet Capabilities
Opposite Central Europe

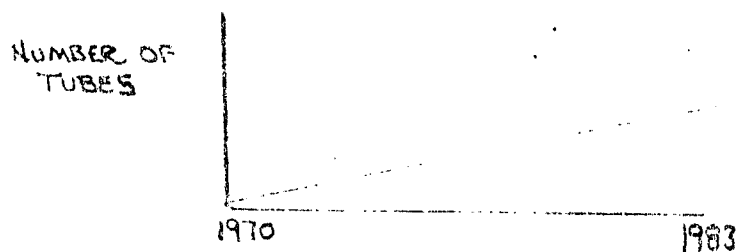
• TANK DIVISIONS AUGMENTED

_____ ADDITIONAL BMP MOUNTED INFANTRY .
_____ ADDITIONAL ARTILLERY TUBES
(_____ SELF-PROPELLED)

• NEW AIR ASSAULT UNITS

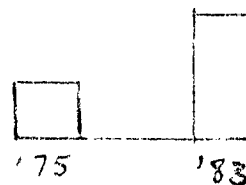
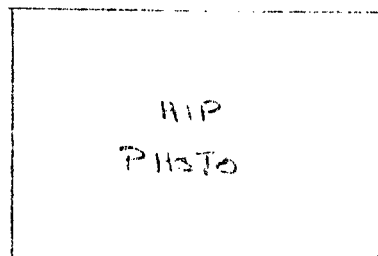
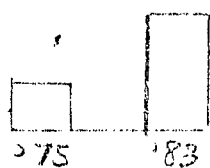
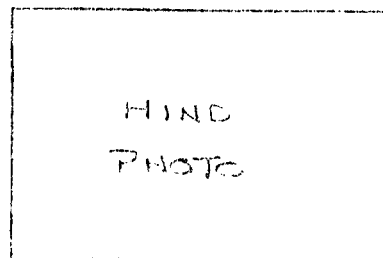
_____ 6 BATTALIONS	_____ 4 BRIGADES
_____ 400 MEN	_____ 2600 MEN
_____ BMDs	_____ BMDs
_____ ARTILLERY	_____ ARTILLERY

• INCREASED ARTILLERY FIREPOWER

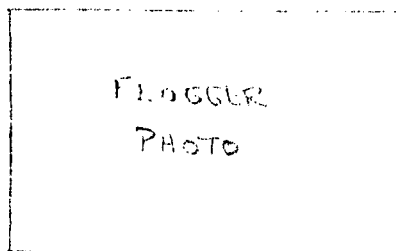


Graphic 3
(cont.)

• ATTACK HELICOPTERS



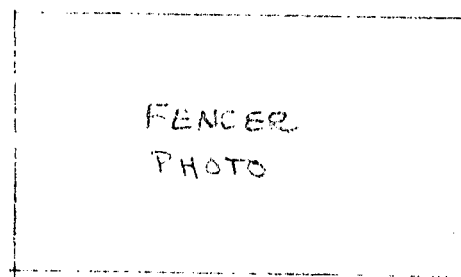
• TACTICAL AIRCRAFT



No.



No.



No.

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Graphic No. 4

Technology

"THE BATTLE BETWEEN ARMOR AND ANTI-TANK MISSILES HAS NOW SHIFTED TO THE SCIENCE-RESEARCH LABORATORIES, THE PROVING GROUNDS AND INDUSTRY."

MARSHAL A. A. GRECHKO - 1975
(MINISTER OF DEFENSE)

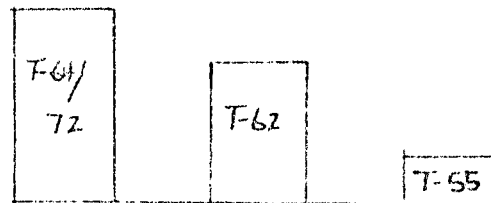
"... ON THE BASIS OF ADVANCES IN SCIENCE AND TECHNOLOGY, PRINCIPAL WEAPONS SYSTEMS ARE VIRTUALLY RENEWED EVERY 10 - 12 YEARS."

MARSHAL N. V. OGARKOV - 1982
(CHIEF, SOVIET GENERAL STAFF)

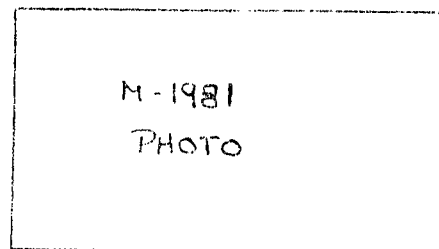
Graphic No. 5

Technology Advances

• TANKS OPPOSITE CENTRAL REGION



• NUCLEAR-CAPABLE ARTILLERY



108 DEPLOYED IN
EAST GERMANY

• TACTICAL LASERS

- DEPLOYMENT SOON ?

Graphic 5
(cont.)

• TACTICAL AIRCRAFT

SU-25
PHOTO

SU-25s
AT
SHINDAND AFLD

SU-27
PHOTO

SCHEMATIC

MIG-29
PHOTO

MIG-31
PHOTO

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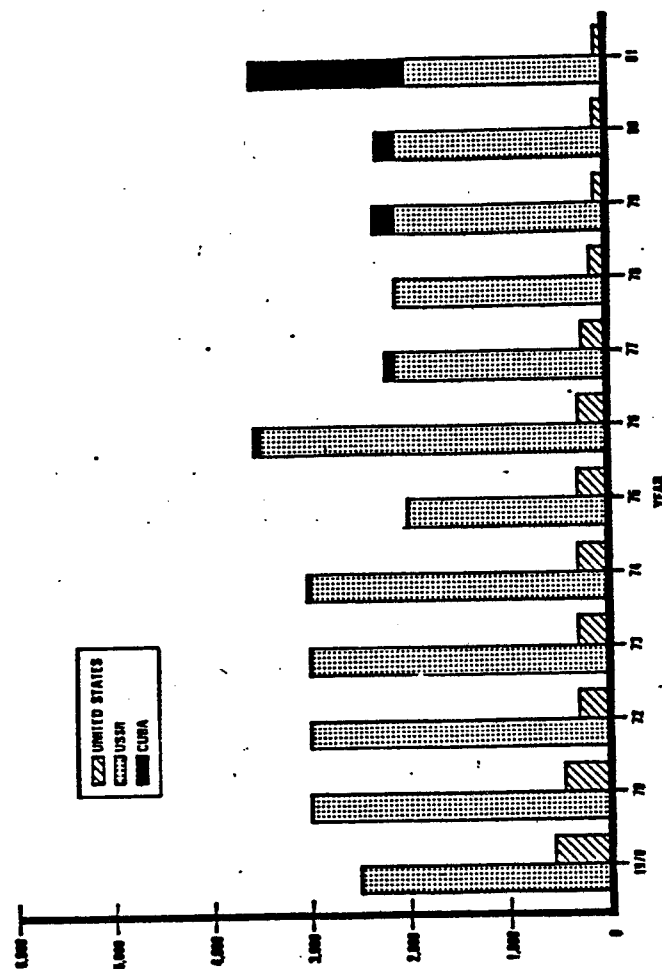
on top are the Cuban and U.S.S.R. he area, while we moved out. And

Soviets and Cubans had 50 times as n America as the United States— ver, from 1962 to 1981, the Soviets much security assistance to Latin States, roughly \$4 billion for the illion for the United States. [See ere the blue line, the U.S. security clining, particularly after 1975, and sistance to Latin America.

:]

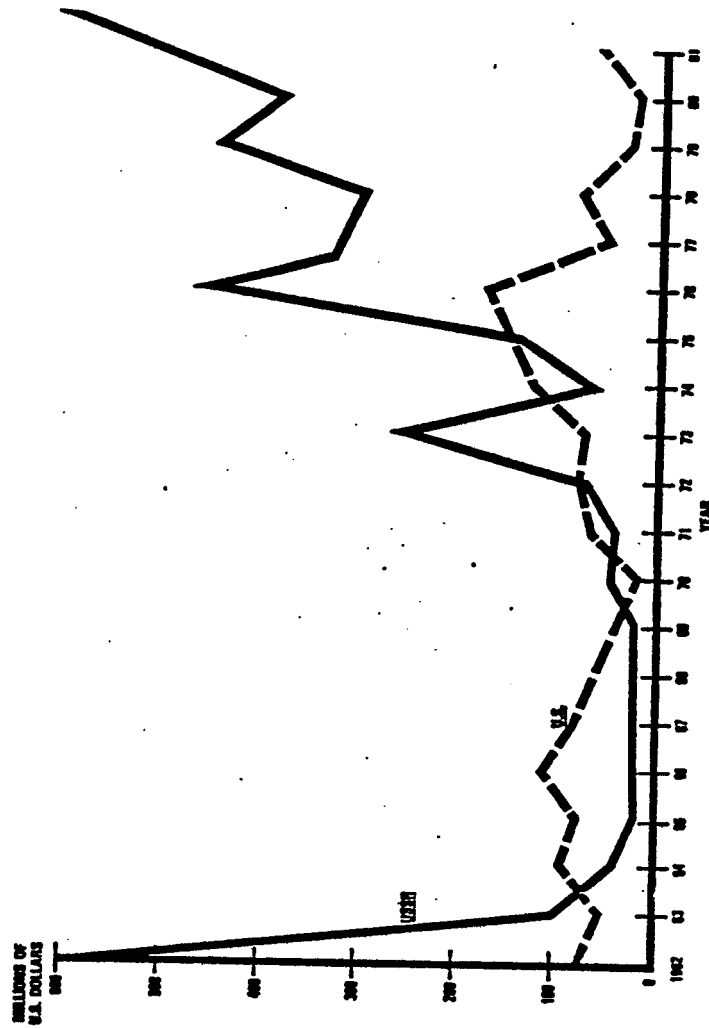
91

CHART No. 3—MILITARY ADVISORS WITH LATIN AMERICAN COUNTRIES



92

CHART NO. 4—SECURITY ASSISTANCE TO LATIN AMERICA
(\$ IN MILLIONS)



ILLEGIB

91-261 O-82-7

PHOTOS -

RECENT NICARAGUAN
TANK DELIVERY AND
DEPLOYMENT TO HONDURAN
BORDER